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UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA

STEM, INC.,  
a Delaware Corporation,

Plaintiff,

vs.

SCOTTSDALE INSURANCE  
COMPANY, an Ohio Corporation,

Defendant.

CASE NO. 3:20-cv-02950-CRB

**DECLARATION OF JOHN  
CARRINGTON IN SUPPORT OF  
PLAINTIFF'S MOTION FOR  
PARTIAL SUMMARY JUDGMENT  
REGARDING SCOTTSDALE'S  
DEFENSE OBLIGATION**

Date: April 29, 2021  
Time: 10:00 a.m.  
CTRM: 6

I, John Carrington, declare as follows:

1. I am the Chief Executive Officer ("CEO") of Stem, Inc. ("Stem").  
I have served as Stem's CEO, and as a member of Stem's board of directors, since  
December 2013. I submit this declaration in support of Stem's Motion for Partial  
Summary Judgment.

2. In November and December 2013, the Angeleno Group served as the  
lead investor in a "Series B Financing."

3. All Stem shareholders were offered a chance to participate in the  
Series B Financing.

1           4.     A few weeks later, I received a letter from Richard Grimm dated  
2 December 31, 2013, seeking information from Stem that would allow him to plead  
3 particularized facts if he were to pursue litigation against the company, or any of  
4 its officers or board members, *in connection with the Series B Financing* (the  
5 “Grimm Letter”). A true and correct copy of the Grimm Letter is attached to the  
6 separately bound exhibits as Exhibit “O.”

7           5.     In response, Stem offered to provide certain documents under a  
8 confidentiality agreement, but Mr. Grimm did not accept this offer.

9           6.     Instead, on February 5, 2014, Mr. Grimm filed a lawsuit against Stem  
10 in the Delaware Court of Chancery seeking an order requiring Stem to produce the  
11 documents he had requested. A true and correct copy of the Complaint filed by Mr.  
12 Grimm against Stem in the Delaware Court of Chancery on February 5, 2014 is  
13 attached to the separately bound exhibits as Exhibit “P.”

14          7.     Mr. Grimm subsequently filed a motion for summary judgment asking  
15 the court to order Stem to produce documents. At a hearing held on August 14,  
16 2014, the Master in Chancery made a recommendation that Stem produce some  
17 documents, but not others.

18          8.     Mr. Grimm filed an exception asking the Master to include in the  
19 recommendations a finding that he stated a proper purpose for his inspection  
20 demand. On October 13, 2014, the assigned Master in Chancery issued a “Final  
21 Report” which rejected Mr. Grimm’s requested finding. A true and correct copy of  
22 the Master in Chancery’s “Final Report,” dated October 13, 2014, is attached to the  
23 separately bound exhibits as Exhibit “Q.”

24          9.     On May 12, 2017, four of Stem’s shareholders (*i.e.*, Stacey  
25 Reineccius, Richard Grimm, Gregory Klingsporn and Brenda Berlin) filed a  
26 lawsuit in the San Mateo Superior Court entitled *Stacey Reineccius, et al. v. Zeb*  
27 *Rice, et al.*, and assigned Case No. 17CIV02098 (the “2017 Shareholder Lawsuit”).

1 A true and correct copy of the original complaint in the 2017 Shareholder Lawsuit  
2 is attached to the separately bound exhibits as Exhibit "C."

3 10. Stem is not named as a defendant in the 2017 Shareholder Lawsuit.  
4 Among the five named defendants in the original complaint, however, three were,  
5 at the time, officers and/or directors of Stem, namely Zeb Rice, David Buzby and  
6 myself.

7 11. The 2017 Shareholder Lawsuit is still being litigated as of the date of  
8 this declaration.

9 12. In August 2019, Stem settled with two of the four plaintiffs, *i.e.*,  
10 Stacey Reineccius and Brenda Berlin.

11 13. In December 2019, the remaining two plaintiffs (*i.e.*, Mr. Grimm and  
12 Mr. Klingsporn) filed a First Amended Complaint ("FAC"). And on October 30,  
13 2020, they filed a Second Amended Complaint ("SAC"). Both the FAC and SAC  
14 assert claims based on the 2013 Series B Financing and a January 2017 loan to  
15 Stem from David Buzby.

16 I declare under penalty of perjury under the laws of the United States  
17 of America that the above statements are true and correct.

18  
19 DATED: March 25, 2021

DocuSigned by:  
  
5F56A87F8823477  
John Carrington